VZCZCXYZ0000 PP RUEHWEB

DE RUEHTV #0764/01 0730901 ZNR UUUUU ZZH P 140901Z MAR 07 ZDK FM AMEMBASSY TEL AVIV TO RUEHC/SECSTATE WASHDC PRIORITY 9934 RHEHAAA/WHITE HOUSE WASHDC PRIORITY RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RUEAHQA/HQ USAF WASHINGTON DC PRIORITY RUEADWD/DA WASHDC PRIORITY RUENAAA/CNO WASHINGTON DC PRIORITY RHEFDIA/DIA WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHDC PRIORITY RUEHAD/AMEMBASSY ABU DHABI PRIORITY 1801 RUEHAS/AMEMBASSY ALGIERS PRIORITY 8553 RUEHAM/AMEMBASSY AMMAN PRIORITY 1724 RUEHAK/AMEMBASSY ANKARA PRIORITY 2616 RUEHLB/AMEMBASSY BEIRUT PRIORITY 1789 RUEHEG/AMEMBASSY CAIRO PRIORITY 9585 RUEHDM/AMEMBASSY DAMASCUS PRIORITY 2523 RUEHLO/AMEMBASSY LONDON PRIORITY 9444 RUEHFR/AMEMBASSY PARIS PRIORITY 9919 RUEHRB/AMEMBASSY RABAT PRIORITY 6535 RUEHRO/AMEMBASSY ROME PRIORITY 3931 RUEHRH/AMEMBASSY RIYADH PRIORITY 8808 RUEHTU/AMEMBASSY TUNIS PRIORITY 3027 RUCNDT/USMISSION USUN NEW YORK PRIORITY 4945 RUEHJM/AMCONSUL JERUSALEM PRIORITY 6208 RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY RHMFIUU/COMSIXTHFLT PRIORITY

UNCLAS TEL AVIV 000764

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

# SUBJECTS COVERED IN THIS REPORT:

- 11. PM Olmert's Performance
- 12. Saudi Initiative
- ¶3. Iraq

Key stories in the media:

All media reported that the Winograd Commission investigating last summer's Lebanon war announced on Tuesday that it will publish interim report in the second half of April and that it will include personal conclusions regarding PM Ehud Olmert, Defense Minister Amir Peretz and former IDF Chief of Staff Dan Halutz. The commission also said that the interim report would be confined to the first five days of the war. Leading media quoted Olmert associates as saying that he will not resign if the commission's conclusions are not too harsh. Media quoted Kadima party members as saying that the party should be prepared to replace Olmert in order to prevent its collapse.

Ha'aretz quoted US Ambassador Richard Jones as saying on Monday that the US is not preventing Israel from holding negotiations with Syria and the decision on whether to proceed on this matter is in the hands of the Israeli government. Ambassador Jones was speaking to a group of academics at the Davis Institute for International Affairs at the Hebrew University. Ha'aretz wrote that the US Embassy in Tel Aviv refused to comment on the Ambassador's statements, saying that the meeting was a closed forum. However, Ha'aretz quoted the deputy press attache at the embassy as saying on Tuesday: "We are unaware that any US official has ever expressed an opinion on what Israel should or should not do with regard to Syria." Ha'aretz quoted Jones as saying that he does not consider Syria a partner in the diplomatic process so long as it supports terrorist organizations and aids Hizbullah. He added that the Syrians have not done enough to lift doubts that they are interested in negotiations solely as a means of receiving international legitimacy. "If the Syrians change the situation," the Ambassador was quoted as saying, "the situation will also change." Ha'aretz said that, during the meeting at the Davis Institute, Ambassador Jones also discussed the Arab peace initiative that is expected to be approved at the Arab League summit in Riyadh, scheduled to take place late this month. Ha'aretz quoted Ambassador Jones as saying that this is an attempt to develop a regional link to the peace process, which presents Israel with a broad diplomatic horizon, and goes beyond a settlement with the Palestinians. Jones was quoted as saying that the peace initiative may transform Israel into an accepted entity in the Middle East. Jones was further quoted as saying that the Mecca Agreement between Fatah and Hamas, which paved the way to a national unity government in the Palestinian Authority, has disrupted American plans for dealing with the political situation in the territories. Ha'aretz noted that the Ambassador appears to have been referring to American plans to bolster Fatah through economic and military assistance as a counter to Hamas and as a way of restoring the leadership of the Palestinian government to Fatah. Jones was quoted as saying that the US is firm on the three preconditions set by the Quartet.

Ha'aretz reported that Secretary of State Condoleezza Rice is trying, through her aides, including Assistant Secretary of State for Near Eastern Affairs David Welch, to convince Saudi Arabia to modify its peace initiative. Leading media reported that on Tuesday Saudi Arabia criticized Israel for setting preconditions for Middle East peace talks and that it urged Israel to accept an Arab initiative proposed in 2002 and discuss details later. Major media reported that Egypt and Syria also rejected Israel's demand that changes be made to the initiative during an Arab summit in Saudi Arabia scheduled for March 28-29. Hatzofe quoted the Palestinian daily Al-Quds as saying that PA Chairman [President] Mahmoud Abbas and Palestinian PM Ismail Haniyeh will come to the summit together.

Leading media reported that on Tuesday, speaking before the Knesset's Foreign Affairs and Defense Committee, Shin Bet Director Yuval Diskin warned that Hamas was sending hundreds of men to Iran for prolonged periods of advanced training. Diskin added that he anticipated greater difficulty for the IDF in its operations in the Gaza Strip, owing not only to underground fortification but also to the ever-increasing population density in the area. Diskin informed the committee that 31 tons of explosive material have been smuggled into the Gaza Strip in the last year by terror groups. According to Diskin, the figure constitutes a six-fold increase in the amount smuggled in recent years. Diskin was also quoted as saying that the Palestinian terror groups are in the process of attempting to increase their rocket range to 15 and even 20 kilometers, so as to enable them to strike at Kiryat Gat and Ashkelon, and other national infrastructure targets in the Negev, and that those groups were also trying to increase their ballistic capabilities in the West Bank.

Ha'aretz, Maariv, and The Jerusalem Post reported that on Tuesday the Israeli and US delegations walked out of the UN's disarmament forum in Geneva after Iran said Israel was the "real source of nuclear danger in the Middle East" and had a "dark record of crimes." Ha'aretz quoted Vice PM Shimon Peres as saying on Tuesday in Tokyo that a peaceful solution must be found to the Iranian nuclear problem, despite its president's vow to wipe Israel off the map. "I would not like to darken the future with belligerent declarations," Peres said at a news conference when asked about the possibility of a preemptive strike. "I do hope that the problem can be solved economically, politically and psychologically." Peres is in Tokyo for a four-nation meeting today about Middle East peace that includes officials from the PA, Jordan, and host Japan, as well as a two-day confidence-building conference that starts today.

Ha'aretz and Maariv reported that the special UNESCO team investigating the excavations near the Temple Mount in Jerusalem has determined that the works carried out by Israel comply with international standards for culturally significant sites. However, the report, which is due today, includes a call on Israel to halt excavation, which caused disappointment in the Foreign Ministry.

Maariv reported that Knesset Speaker and Acting President of Israel Dalia Itzik was invited to an international conference of parliament leaders from around the world, to be held this coming May on the island of Bali in Indonesia.

The Jerusalem Post reported that on Tuesday the IDF expressed concern over the fate of Alan Johnston, a BBC reporter who was abducted on Monday at gunpoint by masked gunmen in the Gaza Strip, with some officers predicting that it could be weeks before the British national was released.

The Jerusalem Post quoted sources close to Hamas in the Gaza Strip as saying on Tuesday that the national unity government that was reached last month in Mecca has triggered a behind-the-scenes power struggle in Hamas.

Ha'aretz, Israel Radio, and other media cited a Peace Now report that found that 32 percent of the ground on which settlements are built is private Palestinian ground. The media reported that the Council of Jewish Settlements in the Territories and the GOI's Civil Administration in the territories refuted the report's findings.

Ha'aretz cited a report published by the Palestinian trading organization Paltrade, which says that the operation of the Karni Crossing is not enough to jump-start the Palestinian economy in the Gaza Strip. Israel Radio said that the Peres Center of Peace also voiced criticism about the crossing's operations.

The Jerusalem Post cited a Jewish Telegraphic Agency wire report that on Monday Americans for Peace Now sent a letter to every member of Congress calling "on the Bush administration to change course on Iran and abandon its long-standing sanctions-only policy in favor of limited, constructive engagement, characterized by a combination of carrots and sticks."

The Jerusalem Post printed an AP wire report that three Yemeni businessmen in New York have been charged with money laundering after federal authorities said they sent USD 200,000 overseas knowing the money was illegally obtained and that it could benefit Hizbullah.

All media reported that on Tuesday Labor MK Colette Avital officially announced her candidacy to the presidency of Israel.

Ha'aretz reported that, from April 4 through May 11, News Mexico's Bosque Redondo State Monument, a state commemorating a tragic chapter of Native American history, will host the traveling exhibition "Anne Frank: A History for Today."

Leading media reported that violence erupted on Tuesday as Hollywood actor Leonardo DiCaprio and his Israeli girlfriend, supermodel Bar Refaeli, fended off photographers on their way to the Western Wall tunnel in Jerusalem.

The Jerusalem Post presented its selection of results of The Aviv University's Peace Index poll conducted among Israelis on February

### 26-27:

-About 55 percent of the Jewish public now thinks that establishment of a Palestinian unity government would reduce the chances of reaching an agreement, while only 25 percent believe that its establishment would increase those chances (the rest have no opinion on the matter). There is a majority for this view among supporters of all the parties.

-Only about one-fifth of Israeli Jews are in favor of peace for a full withdrawal from the Golan Heights, while only 41 percent believe that Israel should respond positively to Syria's call to return to negotiations even if it has not stopped supporting Hizbullah and other terrorist organizations. Conversely, 52 percent of Jews think that Syria's call for talks stems from weakness and that Israel should not respond positively.

51 PY 03 --- C

## 1. PM Olmert's Performance:

### -----

### Summary:

\_\_\_\_\_

Diplomatic correspondent Ben Caspit wrote on page one of the popular, pluralist Maariv: "Olmert has earned what is happening to him fairly honestly, he has not lost his fighting spirit, and at this stage, he is still the Prime Minister. As of now."

Block Quotes:

-----

"Head Hunting"

Diplomatic correspondent Ben Caspit wrote on page one of the popular, pluralist Maariv (3/14): "It is hard to predict how firm the conclusions [of the Winograd Commission probing last summer's war in Lebanon] will be, how they will be divided up between the targeted parties and whether they will be strong to the point of crushing the Olmert-Peretz government. The informed opinion, which is also based on talks with the commission members, confirms the assumption that the members of the Winograd Commission are going for the heads of the prime minister and defense minister with full force, and therefore on Tuesday noted their intention to publish 'personal conclusions.' On the other hand, they have not issued letters of warning, which could indicate mitigated personal conclusions.... As of Tuesday, we still have no idea what the month of April will bring and who could suffer his [political] death in it.... The only one who should be envied even less [than the commission's members] is IsraelQs Prime Minister Olmert. Exactly a year since winning the elections, close to a year and a half after finding himself in the seat of Prime Minister, he can look back in anger and sum up the most difficult and traumatic year of his life. It is difficult to describe what he underwent in this period, what has happened to him in each and every month of it, what happens to him in one week, in a single day. The prime minister's seat in Israel has become an electric chair -- a suicidal, almost hopeless post, and yet there are so many who aspire to it. Olmert has earned what is happening to him fairly honestly, he has not lost his fighting spirit, and at this stage, he is still the Prime Minister. As of now.

-----

# ¶2. Saudi Initiative:

\_\_\_\_\_

# Summary:

-----

Conservative columnist Yosef Harif wrote in the popular, pluralist Maariv: "In order to try to assess the Saudi initiative, Israel must clarify some matters for itself."

Shlomo Avineri, Hebrew University Professor of Political Science and former director-general of the Foreign Ministry, wrote in the conservative, independent Jerusalem Post: "There can be no peace without negotiations, yet until now the Arab League has avoided this basic tenet of international diplomacy."

Block Quotes:

-----

# ¶I. "What Does Saudi Arabia Mean?"

Conservative columnist Yosef Harif wrote in the popular, pluralist Maariv (3/14): "The Saudi plan meant to establish peace between Israel and the Arab countries is currently arousing considerable interest. This week Prime Minister Ehud Olmert devoted the first part of the cabinet's meeting to that initiative, noting that it contained 'positive elements'.... The Americans, too are showing interest in the Saudi initiative. It would not be surprising if some day that plan replaced the Roadmap, whose chances of realization have been low since Hamas came to power in the Palestinian authority.... [Since the Saudi initiative of 1982, which was rejected by Israel, the Israeli stance has softened substantially: It appears that most Israelis approve the establishment of an independent Palestinian state alongside Israel. On the other hand, the Palestinian stance has not changed; neither has the Saudi initiative, which again speaks about the right of return [for Palestinian refugees]. Olmert said that the 'Saudi initiative is an issue that should be treated seriously.' Even if this plan deserves such a treatment, one should avoid harboring illusions. In order to try to assess the Saudi initiative, Israel must clarify some matters for itself: not only the rejection of the right of return, which is part of the [Israeli] consensus, but also the fate of Jerusalem.... Ariel Sharon endorsed the Roadmap because he claimed to have received a promise from President Bush that that the large settlement blocs in the West Bank would remain in Israel's hands. Will the government adhere to this principle? On March 28, a summit conference is supposed to convene in Riyadh to discuss the Saudi plan, with the aim of receiving the moderate states' approval. This will be the test of Saudi Arabia's real intentions -- sticking to its rigid positions or showing willingness to also consider Israel's vital interests."

### II. "What's Missing From the Saudi Initiative"

Shlomo Avineri, Hebrew University Professor of Political Science and former director-general of the Foreign Ministry, wrote in the conservative, independent Jerusalem Post (3/14): "Despite some ambiguities in the language [of the Saudi initiative and the March 2002 declaration of the Arab League] one thing is clear. The Arab League does not offer negotiations with Israel, nor dies it suggest that its demands (which are the conventional Arab ones) will become a basis for negotiations. What the declaration demands is that Israel 'affirms' -- accepts the Arab demands and then, only then ('consequently') the Arab countries will 'affirm' the end of conflict. It would be unfair to characterize the Beirut declaration as an ultimatum to Israel: Accept our demands -- or else. But the one, most crucial ingredient in any serious diplomatic move -- the willingness to negotiate with Israel -- is missing here.... The Beirut declaration envisages an overall Arab change in attitude toward Israel, not just bilateral Israeli and Syrian and Palestinian agreements, so one needs to know who speaks for the Arab side. may wonder whether all Arab countries would be ready for such a move. If, however, the Arab League got its act together and offered negotiations with Israel on behalf of all the Arab countries, it would be a real breakthrough. A mere declaration of demands aimed at Israel, without mention of any willingness to negotiate over them, would be just another PR exercise, not a serious attempt to seek a diplomatically negotiated agreement. There can be no peace without negotiations, yet until now the Arab League has avoided this basic tenet of international diplomacy."

<u>¶</u>3. Iraq:

Summary:

The conservative, independent Jerusalem Post editorialized: "All Americans should now that leaving in defeat would be disastrous for America and the world. The new strategy in Iraq should be given a chance."

Block Quotes:

### "Give Victory a Chance"

The conservative, independent Jerusalem Post editorialized (3/14): "[In his speech before AIPAC's annual policy conference on Monday, Vice President Richard] Cheney [painted a picture of a war [in Iraq] with ups and downs, but one in which the US is adapting as well. He pointed out that the new general in charge of the new strategy, David Petraeus, said he needed the extra troops to do the job. Finally, he argued that 'it is simply not consistent for anyone to demand aggressive action against the menace posed by the Iranian regime, while at the same time acquiescing in a retreat from Iraq that would leave our worst enemies dramatically emboldened and Israel's best friend, the United States, dangerously weakened.' In the meantime, Robert Kagan has written in The Washington Post that there is already evidence that the surge is succeeding.... As we know here, war is not easy. It is not always short or definitive. But the alternative is not to give up, but to win. All Americans should now that leaving in defeat would be disastrous for America and the world. The new strategy in Iraq should be given a chance."

**JONES**